GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

STARRED QUESTION NO:249
ANSWERED ON:09.08.2000
CREDIT GUARANTEE SCHEME
SADASHIVRAO DADOBA MANDLIK;T.M. SELVAGANAPATHI

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the Federation of Associations of Small Industries of India has urged the Government to extend the Credit Guarantee Scheme for small Scale Units and also to enhance the excise exemption limit to it;

(b) if so, the action taken by the Government in this regard;

(c) whether there is any proposal to extend marketing support to Small Scale Industries through Government purchases; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES(SMT. VASUNDHARA RAJE)

(a): Yes, Sir.

(b): Government has approved a Credit Guarantee Fund Scheme for Small

Scale Industries under which guarantee will be given for 75% of the loan (term loan as well as working capital) amount upto Rs. 10 lakhs extended by the commercial banks and well performing regional rural banks to the small scale industrial (SSI) units without collaterals including third party guarantee.

As regards excise exemption limit, Federation of Associations of Small Industries of India has suggested that the full excise exemption limit for SSI units be enhanced from the present level of Rs. 50 lakhs to Rs. 1 crore.It has not been possible for the Ministry of Finance to accede to this request.

(c)&(d): Government is already extending marketing support to small scale industries through Government purchases. Under the Central Government Stores Purchase Policy 358 items are currently reserved for purchase from the small scale industries.